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Groups of countries in special situations: specific actions related to the particular needs and problems of landlocked developing countries: outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation

Implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 66/214, in which the Assembly decided to hold a comprehensive 10-year review conference on the implementation of the Almaty Programme of Action in 2014 and requested the Secretary-General to submit to the Assembly at its sixty-seventh session a report on the implementation of the Almaty Programme of Action and on the progress made in the preparatory process for the comprehensive 10-year review conference.

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I. Introduction

1. The Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries was adopted in 2003 as the United Nations response to the growing recognition by the international community of the special development needs and challenges faced by the 31 landlocked developing countries. The present report provides an update on the implementation of the Almaty Programme of Action focusing on the key priority areas. The priority area on implementation and review is discussed in the context of the progress made in the preparatory process for the comprehensive 10-year review conference to be held in 2014. The report concludes with policy recommendations.

II. Recent developments in economic and social conditions in landlocked developing countries

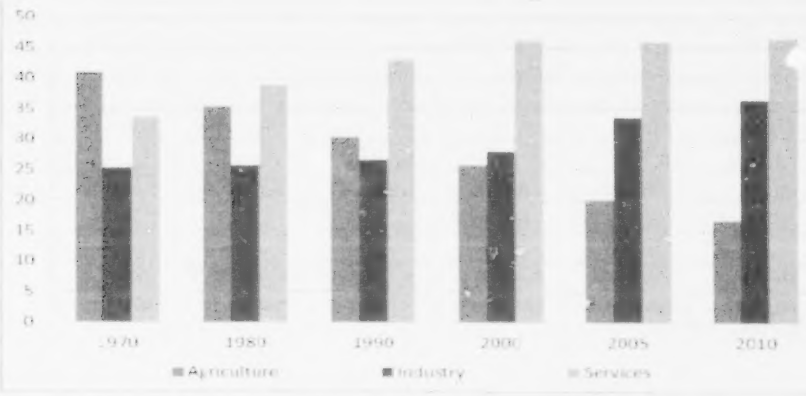
2. The landlocked developing countries as a group experienced an increase in economic growth from 3.1 per cent in 2009 to 6.6 per cent in 2010 (see annex, table 1). The growth rates of real gross domestic product (GDP) show recovery from the global financial and economic crisis, although great diversity among the countries exists. Nine of the countries experienced growth of more than 7 per cent, 9 had a growth rate between 5 and 6.9 per cent and the remaining 13 grew at less than 4.9 per cent. The increase in economic growth was largely spurred by rising commodity prices and export demand. GDP growth in the countries is estimated to have decelerated to 5.5 per cent in 2011, owing to weak external demand and declining commodity prices.

3. The landlocked developing countries as a group experienced a decrease of 12 per cent in inflows of foreign direct investment in 2010. External debt as a percentage of gross national income decreased from 47 per cent in 2009 to 43 per cent in 2010 (see annex, table 3). Remittances increased from $14.2 billion in 2009 to $16.4 billion in 2010.

4. From 1970 to 2010, the sectoral composition of GDP for the group shifted from agriculture to industry and services, which have increased by 44 and 38 per cent respectively, as shown in figure I. However, although the share of agriculture declined from 22 per cent to 18 per cent for the group between 1970 and 2010, the share of agriculture is still greater than 30 per cent in the 10 landlocked developing countries that are also least developed countries. Furthermore, the service sector in landlocked developing countries has not experienced much growth since 2000, and further analysis reveals that the growth in industry is being driven by mining, which accounts for 45 per cent of industry. Overall, landlocked developing countries are therefore still highly dependent on agriculture and mining, making them vulnerable to commodity price volatility, weather changes and other shocks. It is important that they transform the structure of their economies by fostering the development of competitive industries that produce high value-added products in order to achieve more sustainable economic growth.

Figure I

Percentage of gross domestic product in landlocked developing countries from 1970 to 2010, by sector



Source: United Nations Conference on Trade and Development (UNCTAD), 2010.

5. On the social development front, landlocked developing countries made some progress from 2005 to 2011, as shown in the Human Development Index (see annex, table 8). However, 15 of them are still in the lowest Human Development Index ranking. The average GDP per capita for these countries was $2,322 in 2010, representing a 5 per cent increase from 2009. Although the average GDP per capita for the countries as a group is high, it is less than $1,000 in 20 of the countries, including five in which GDP per capita is less than $300. This indicates limited availability of domestic resources for investing in social services and also partly explains why some of the countries have a low Human Development Index.

6. Furthermore, the presence of inequalities in incomes in landlocked developing countries is undermining efforts to reduce poverty and to achieve the Millennium Development Goals. According to World Bank data, between 2000 and 2010, in 60 per cent of the countries, more than 45 per cent of the share of household income went to the highest 20 per cent of the population. Such inequality in income coupled with weak social security systems results in large disparities in access to and use of social services such as health and education. It is important that countries implement pro-poor or inclusive economic growth policies in order to reduce inequalities.

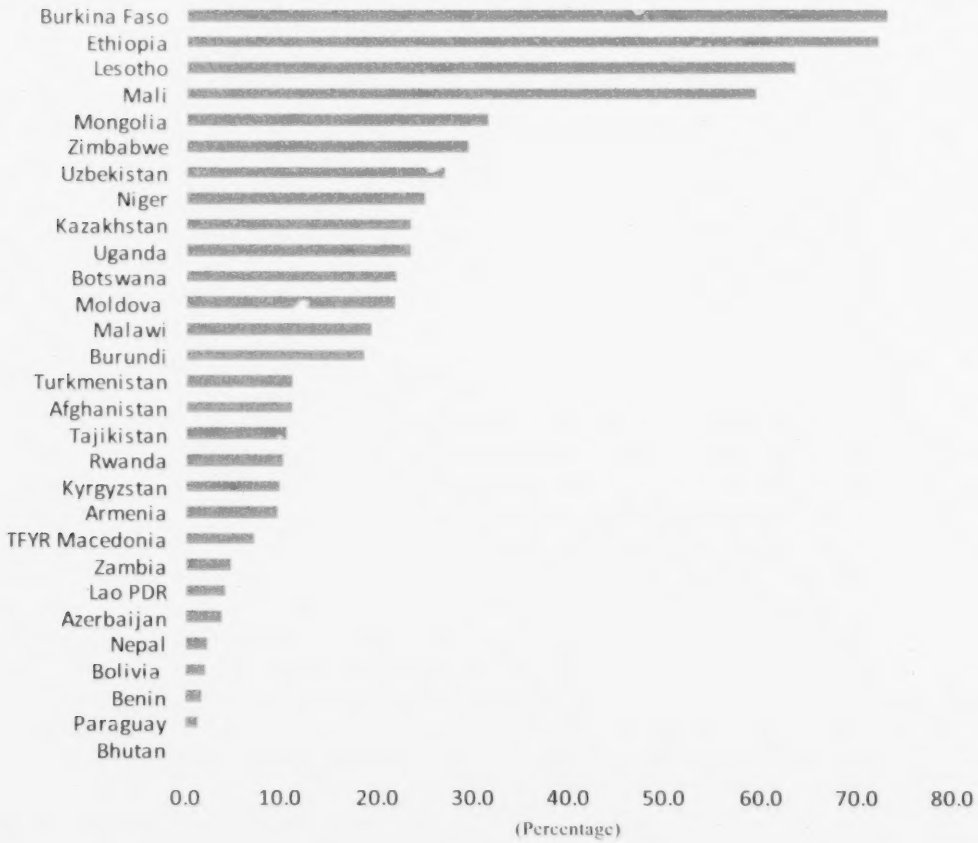
7. Landlocked developing countries have made some advances in net primary enrolment, gender parity in primary education and representation of women in decision-making and stemming the spread of HIV/AIDS. However, the population living in extreme poverty in the countries is still relatively high. In half of them, more than 20 per cent of the population is living on less than $1.25 per person per day. Progress is also slow on reducing hunger, child and maternal mortality and improving access to sanitation.

8. Landlocked developing countries are heavily affected by climate change, deforestation, land degradation and desertification. Their proportion of the population living on degraded land is high (see figure II, below). Of the 29 countries in the world in which 20 per cent or more of the population lives on degraded land, 13 are landlocked developing countries. The intensity of deforestation is also a

serious challenge to sustainable development in those countries (see annex, table 8). According to United Nations Development Programme (UNDP) data, 40 per cent of the countries are among the 41 countries in the world that experienced a rate of deforestation of 10 per cent or higher in 2008. Landlocked developing countries are eligible to access the Global Environment Facility and the Special Climate Change Fund and those that are also least developed countries can access the Least Developed Countries Fund for climate change. The recently established Green Climate Fund, when it becomes operational, will also be a source of financial assistance towards environment-related development needs. Although these sources of assistance exist, a special fund dedicated specifically to cater for the environmental development needs of landlocked developing countries would be very helpful in addressing their unique needs.

Figure II

Percentage of population in landlocked developing countries living on degraded land, 2010



Source: UNDP, *Human Development Report 2011*.

9. Overall, economic growth and social well-being in landlocked developing countries remain highly dependent on the status of the global economy, including in respect of commodity price fluctuations, the continued recession in some developed countries and high trade costs. Landlocked developing countries receiving support from the international community and their transit neighbours need to develop secure and efficient transit transport systems, strategically transform their economies so as to enhance their competitiveness in the global markets, build resilience to external shocks and achieve the sustainable economic growth necessary for promoting investment in social and human development.

III. Cost of being landlocked

10. Landlocked developing countries continue to face constraints with regard to their participation in international trade owing to lack of access to the sea and remoteness from major markets, inadequate transit facilities, cumbersome customs and border crossing procedures, costly bank transactions, and other costly services and operations, all of which result in high transport and trade transaction costs. According to the World Bank publication *Doing Business 2012: Doing Business in a More Transparent World*, the average costs of exporting and importing a container for landlocked developing countries are $2,600 and $3,300, respectively, while transit developing countries only pay 50 per cent of such costs.

11. In order to clearly demonstrate the extent to which landlocked developing countries are disadvantaged by transport and trade transaction costs compared with transit developing countries, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States used a gravity model to develop and estimate two indicators that show the impact that being landlocked has on trade volume and transport costs. The model for the volume of trade was estimated on a panel of 150 countries, including all landlocked developing countries and coastal countries, for the 30 years from 1980 to 2010. The variables included in the model were distance to the nearest port, whether the country was party to a regional trade agreement or currency union, the quality of infrastructure in the country and an index of trade facilitation. The estimated coefficients for the model were used to estimate the predicted trade flows for each landlocked developing country, its trade partners and a representative coastal economy. The indicator of the cost of being landlocked on trade volume was calculated for each country by expressing its predicted trade flows as a ratio of that of the representative coastal economy. The data shows that the countries on average had a lower trade volume when compared to the representative coastal economy. As shown in table 1, below, landlocked developing countries exported a little more than half the trade volume of the representative coastal economy in 2004. Over time, the trade volume of the countries improved only slightly.

12. The effect that being landlocked has on trade varies across the group, with countries such as Afghanistan, Mali and the Niger only able to trade 33 per cent or less of the trade volume of coastal countries. None of the countries trades more than the representative coastal economy. The cost of being landlocked, in terms of trade volumes, is therefore large. This justifies the need to continue to address the special needs of the countries by improving infrastructure, promoting trade facilitation and strengthening transit corridors.

Table 1
Cost of being landlocked: trade volume of landlocked developing countries as a percentage of representative coastal economies

	2004	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*
Trade volume average for landlocked developing countries	57	59	59	58	60	61	61
Trade volume for worst affected landlocked developing countries							
Mali	31	32	33	33	34	33	33
Niger	29	33	33	32	33	30	31

Source: Calculations of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

13. The same procedure was applied to estimate predicted transport costs to trade and to calculate an indicator to compare the transport costs of landlocked developing countries against the representative coastal economy. The indicator was normalized to facilitate easier interpretation. The indicator shows that, in 2004, landlocked developing countries incurred 42 per cent higher transport costs than the representative coastal economy. Over time, landlocked developing countries have experienced an increase in transport costs and, in 2010, they paid 45 per cent more than the transit countries (see table 2, below). The data also shows that African landlocked developing countries have significantly higher transport costs than such countries in other regions (see annex, table 5).

Table 2
Cost of being landlocked: additional transport costs incurred by landlocked developing countries compared with representative coastal economies

(Percentage)

	2004	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*
Average for landlocked developing countries	42	43	44	43	44	45	45

Source: Calculations of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

14. The above analysis shows that landlocked developing countries pay higher trading costs than coastal countries, a fact that greatly reduces their trade potential (see paras. 39-48, below).

IV. Status of implementation of the priorities of the Almaty Programme of Action

A. Fundamental transit policy issues

15. Landlocked developing countries and transit developing countries are making some progress in ratifying international conventions and agreements on transit transport and customs. However, the progress has been slow. In 2011, Tajikistan acceded to the International Convention on the Harmonization of Frontier Controls of Goods of 1982, bringing the total number of landlocked developing countries that are party to the Convention to 10. Rwanda acceded to the International Convention on the Simplification and Harmonization of Customs Procedures, bringing the total number of landlocked developing countries that are party to that convention to 11. When landlocked and transit developing countries become party to relevant conventions and effectively implement them, landlocked developing countries tend to benefit, such as is the case for those countries in Central Asia and the Eurasian region that are party to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets. The region has witnessed an increase in the use of TIR carnets from 63,300 in 2002 to 177,500 in 2011, which has resulted in an improved flow of transit transport in the region.

16. Greater awareness and understanding of the implications of accession to the international conventions is needed in order to accelerate the level of accession through capacity-building among policymakers and administrators involved in the negotiation and implementation of international instruments. Mainstreaming the conventions and other regional agreements at the national level is also important, as this would allow their incorporation into national plans and budgetary allocations.

17. At the regional and subregional levels, the regional economic communities continue to play an important role in promoting transit transport cooperation between landlocked developing countries and their neighbouring transit countries. The policy measures that have been promoted include one-stop border posts; the introduction of single window processing; harmonized road transit charges and road customs transit declaration documents; harmonized axle load limits; third-party motor insurance schemes; the removal of roadblocks; the establishment of e-tracking systems to follow cargo trucks by satellite, thereby avoiding the inconvenience of physical escorts and delays; and increased use of electronic systems for customs clearance at border crossings.

18. In Asia, the Shanghai Cooperation Organization has formulated an agreement to facilitate international road transport. At the meeting to negotiate the draft annexes to the agreement, held in Beijing in March 2012, the member States of the organization reached a consensus. According to the annexes currently agreed upon, China and the Russian Federation will provide new sea access by road to Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The customs union between Belarus, Kazakhstan and the Russian Federation started work on the approximation of their countries' technical regulations.

19. The Asian region, with the support of the Economic and Social Commission for Asia and the Pacific (ESCAP), is working on establishing an intergovernmental agreement on dry ports.

20. Africa has made progress in harmonizing policies, regulations and programmes in the transport sector, as demonstrated by the African Maritime Transport Charter, which was adopted at the 2010 summit of the African Union; the common African Civil Aviation Policy and the African plan of action for the Decade of Action for Road Safety 2011-2020, which were endorsed by the 2011 Conference of African Ministers of Transport; and the intergovernmental agreement for harmonizing the norms and standards of the Trans-African Highway road network, which is currently being developed.

21. The regional economic communities are moving increasingly towards consolidating and harmonizing policies and programmes among themselves. For example, the tripartite arrangement created in 2009 between the East African Community, the Common Market for Eastern and Southern Africa and the Southern African Development Community is geared towards the establishment of a free trade area between the three regional economic communities. In West Africa, there is an increasingly close relationship between the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union that has led to the adoption of a common programme of action on a number of issues, including trade liberalization and macroeconomic policy convergence. In Central Africa, the Economic Community of Central African States and the Central African Economic and Monetary Community are working increasingly towards harmonizing their policies and programmes. Those efforts, particularly on transport, communications and customs, will help to facilitate transit, transport and trade for landlocked developing countries.

22. In South America, regional integration has been further deepened through the establishment of the Union of South American Nations, an intergovernmental organization that integrates the regional agreements, including the Common Market of the South (MERCOSUR) and the Andean Community of Nations. The constitutive treaty of the Union of South American Nations entered into force on 11 March 2011 and allows for wider harmonization of policies in infrastructure development and transit transport.

23. At the national level, countries have taken initiatives to strengthen and establish institutional mechanisms for coordinating work on national transit transport facilitation. For example, in West and Central Africa, several countries have established national facilitation committees that include both the public and private sectors. In Europe and Asia, Armenia, Azerbaijan, Kyrgyzstan, Mongolia, Nepal and Tajikistan have established national trade and transport facilitation bodies, while Kazakhstan has established a national committee on transit. Such committees have facilitated effective coordination among the relevant agencies responsible for international trade and transport facilitation.

B. Infrastructure development and maintenance

24. The Almaty Programme of Action stresses the importance of investment in physical transport and communication infrastructure for establishing efficient transit transport systems. In Asia, notable progress has been made in the development and upgrading of both the Asian Highway and the Trans-Asian Railway networks. From 2006 to 2010, about 3,350 km of the Asian Highway in landlocked developing countries have been upgraded from class III, or below the minimum standard, to

class I or II. However, there are still 11,500 km of Asian Highway routes that need to be upgraded to meet the minimum standards.

25. With respect to the Trans-Asian Railway network, substantial progress has been made in the planning and construction of missing links and in double-tracking, gauge conversion and the introduction of modern signalling. However, there are 10,500 km of missing links (9 per cent of the network) that still need to be constructed to complete the Trans-Asian Railway network. Interoperability across borders also remains a problem. In the 2009 ESCAP study on identifying development needs and priority projects for the Trans-Asian Railway network, it was estimated that over $24 billion of investment was required to put in place 8,200 km of missing links. Since then, the figures have increased owing to the addition of 2,500 km of planned links in Mongolia.

26. In Africa, the Programme for Infrastructure Development in Africa comprises priority infrastructure such as energy, transport, transboundary water and information and communications technology projects that can be implemented under the priority action plan for 2012 to 2020, the medium-term plan and the long-term plan. The projects under the priority action plan are estimated to cost $67.9 billion, including transport infrastructure projects that will cost about $24.4 billion. The Programme for Infrastructure Development in Africa was adopted by African Heads of State and Government in January 2012.

27. Major projects to improve the Trans-African Highway are ongoing in different regional economic communities and countries in Africa. Examples include the rehabilitation of 220 km of the Tanzam Highway in the United Republic of Tanzania, construction of the South Rukuru Bridge in Malawi and construction of the road project linking Addis Ababa, Nairobi and Mombasa, Kenya. The African railway network of 74,775 km has very low density and is located mostly in North Africa and Southern Africa. Some railway projects have been revitalized, in particular in the ECOWAS subregion.

28. In South America, the Initiative for the Integration of Regional Infrastructure in South America has coordinated the development of transport, energy and telecommunications infrastructure in the region. According to the 2012 report of the Economic Commission for Latin America and the Caribbean (ECLAC) and the Union of South American Nations entitled "Infrastructure for regional integration", the Initiative has involved the implementation of 524 projects, requiring the investment of $96.11 billion. By mid-2011, the Initiative had made concrete progress in implementing 74 per cent of the projects, including 10 per cent that had already been completed, 34 per cent that were being executed and 30 per cent that were in the planning phase.

29. There has been progress in the establishment of dry ports. In Asia, Mongolia plans to develop four dry ports, Nepal has four dry ports, and there are plans to develop dry ports in Kazakhstan and Uzbekistan. In Africa, a dry port became operational in 2010 in Burkina Faso, two dry ports are under construction in Ethiopia, a dry port has been established in Uganda, and Namibia is making available space for the development of dry ports facilities for Botswana, Zambia and Zimbabwe at Walvis Bay. In South America, a dry port was established in Paraguay.

30. With regard to maritime transport, progress has been made in improving port infrastructure and port reforms in some African ports. In Latin America, port

development from 2002 to 2010 resulted in an increase of 14 per cent and 10 per cent of port activity on the west and east coasts respectively.

31. Information and communications technology and energy infrastructure is crucial for landlocked developing countries to be integrated fully in the global market. The countries have made remarkable progress in improving telecommunication infrastructure, particularly cellular phones and Internet connectivity. Landlocked developing countries as a group recorded an increase of 25 per cent and 26 per cent in cellular phones and Internet usage, respectively, from 2009 to 2010 (see annex, table 6). That has been made possible through liberalization of the telecommunication sector, allowing for increased private sector investment.

32. Reliable energy supply is critical for increasing industrial productivity in landlocked developing countries, facilitating internal and international connectivity of economic agents and reducing the delays in the transit time for consignments. Although a few of the countries are energy producers and exporters, the majority are net importers of energy. Rising energy prices have brought even greater urgency to the difficulties faced by energy-importing landlocked developing countries. In order to mitigate the constraints caused by the energy crisis, large investments are required in the development of new technologies and infrastructure for energy production and distribution and in the requisite transit infrastructure. Regional energy infrastructure projects of the Initiative for the Integration of Regional Infrastructure in South America were estimated to be worth $41 billion. The energy infrastructure projects to be implemented from 2012 to 2020 under the Programme for Infrastructure Development in Africa are estimated to be worth $40 billion.

33. Mobilization of the required resources to invest in infrastructure development remains a major challenge. National budgets, regional and international development assistance and public-private partnerships are important sources. However, national budget allocation to infrastructure development and maintenance has been on the decline. In South America over the past three decades, public investment in infrastructure has shrunk from 3.1 per cent of GDP in 1980-1985, to 0.8 per cent in 2007-2008.

34. The establishment of road funds appears to be an effective means of mobilizing finances for road maintenance. In Africa, 27 countries have established road funds, while in Asia, the Lao People's Democratic Republic and Nepal have established them. In Europe, the Republic of Moldova and the former Yugoslav Republic of Macedonia have road funds. The principal sources of revenue for such funds are levies on consumables (mainly fuel), tolls, annual vehicle licence fees, supplementary fees for heavy vehicles and fines for overloading.

35. The private sector has contributed to infrastructure development. Its participation has been highest in mobile telephony, where landlocked developing countries have made remarkable progress. In the transport sector, the experience of the Asian region shows that total investment in public-private transport sector projects rose from $13.7 billion in 1990-1994 to $58.7 billion in 2005-2009. In South America, over the past three decades, private investment in infrastructure development has increased from 0.9 per cent of GDP in 1980-1985 to 1.5 per cent in 2007-2008. In Africa, private sector commitment to infrastructure development was about $14 billion in 2010.

36. Despite the potential significant role that private sector investment could play in infrastructure development, some of the major bottlenecks constraining its expanded role include the absence of enabling legislation and regulations, a lack of capacity to manage the public-private partnership process over the life cycle of the project and the challenges of capturing full economic benefits from the projects. It is important that landlocked developing countries consider attracting private investment into infrastructure development by developing a conducive administrative, legislative and regulatory environment.

37. The regional banks in Asia, South America and Africa have supported the implementation of some of the regional infrastructure projects. According to ESCAP, the Asian Development Bank (ADB), by end of 2011, had financed around 21 per cent of the Asian Highway and 8 per cent of the Trans-Asian Railway routes. In Africa, the African Development Bank (AfDB), in cooperation with the African Union, is undertaking resource mobilization for the Programme for Infrastructure Development in Africa. In South America, the Inter-American Development Bank, the World Bank and the Central American Bank for Economic Integration are supporting the Initiative for the Integration of Regional Infrastructure in South America.

38. New and innovative sources of financing are also critical for successful resource mobilization for infrastructure development. Countries or regional economic communities can explore the use of infrastructure bonds where feasible. The Southern African Development Community, Common Market for Eastern and Southern Africa and East African Community are, according to the Economic Commission for Africa (ECA), considering issuing regional infrastructure bonds in 2012. For decades, ECOWAS has been implementing a 0.25 per cent community levy, which yields a steady revenue stream that is deposited into the general fund and can be used to support infrastructure development.

C. International trade and trade facilitation

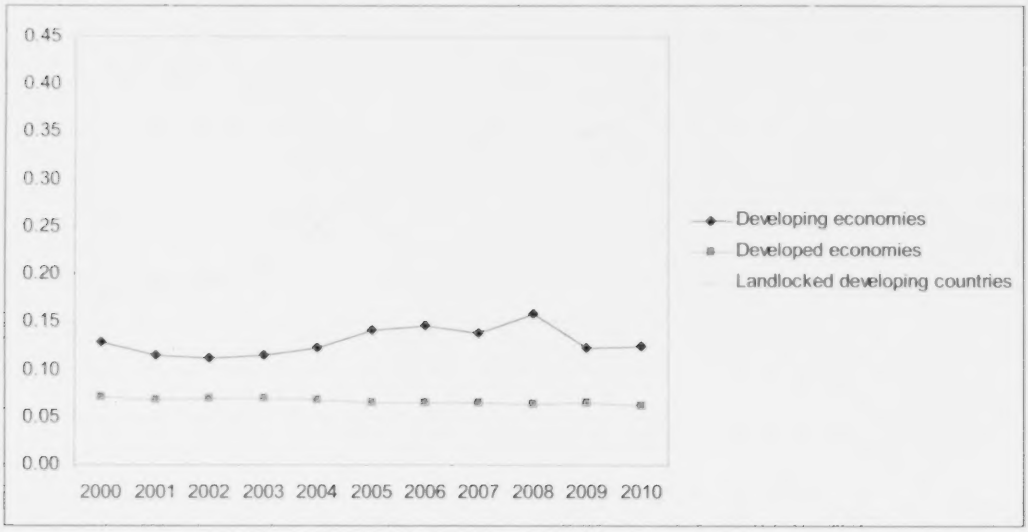
39. Global trade flows rebounded strongly in 2010 following their collapse in 2009, reaching a 14 per cent year-on-year increase. Both trade and output grew faster in developing economies than in developed ones. Higher prices for primary commodities, particularly for metals, energy and agricultural raw materials, drove the trade recovery in 2010. Despite the rebound, the negative impact of the financial crisis and global recession are likely to persist. The growth of international trade slowed to between 7 and 8 per cent in 2011.

40. After the sharp decline experienced in 2009, landlocked developing countries were able to boost export performance and roughly offset losses in 2010. The total value of their merchandise exports reached $158 billion, up 29 per cent from the previous year (see annex, table 4). This upturn enabled the countries to increase their share of world merchandise trade to a level above 1 per cent for the first time. Among the 31 landlocked developing countries, oil and mineral exporters experienced the most significant gains. However, the combined value of exports originating from Azerbaijan and Kazakhstan alone accounted for more than half of the total for all such countries, underscoring their continued marginalization from the world economy.

41. Although exports from landlocked developing countries have been on the increase, high transport and transit costs have prevented them from reaching their trade potential, as illustrated by the analysis contained in section III above. The export structure of the landlocked developing countries, compounded by geographical disadvantages, is a key factor that shapes their trade performance. Such countries typically rely on a few bulky primary agricultural and mining commodities. As seen in figure III, below, while export concentration ratios for developing countries have remained relatively stable since 2000, they have dramatically increased for landlocked developing countries mostly as a result of higher world demand for mineral and fuels.

Figure III

Export concentration ratios of landlocked developing countries and other country groups, 2000-2010 (Herfindahl-Hirschmann Index)



Source: UNCTAD database, 2012.

42. Lack of productive capacity and limited export diversification are common characteristics spanning the group of landlocked developing countries. Given today's global high volatility, policies aimed at diversifying exports should be adopted with a view to reducing the vulnerability of the countries to trade shocks and loss of export revenues. Furthermore, concrete policy interventions instigating a change in the mix of exports towards a higher share of services and products representing low bulk, high value goods would help to reduce the additional transaction costs that the landlocked developing countries incur in international trade owing to market distance and transit hurdles.

43. In today's global trading environment, where supply chains intertwine seamlessly through countries and regions, having inefficient and inadequate transportation, logistics and trade-related infrastructures and services can severely hinder a country's ability to compete on a global scale. Landlocked developing countries, in particular, face considerable challenges when it comes to tackling trade

facilitation issues, which are now widely recognized as being vital for trade and growth. According to the World Bank report entitled "Connecting to compete 2012: trade logistics in the global economy", such difficulties are reflected in low ratings achieved by the countries in the 2012 Logistics Performance Index. The countries with the worst index performance in 2012 were either landlocked or post-conflict least developed countries (see table 3, below). On a scale of 1 (worst) to 5 (best), low index scores point to low trade efficiency, unreliable supply chains and unpredictable service delivery available to domestic producers and exporters. While the quality and availability of trade-related infrastructure, especially roads and railroads, are still constraining factors, efficient border management and the coordination of agencies involved in border clearance have emerged as more critical than ever.

Table 3
Regions with poorly performing landlocked developing countries, based on logistics performance index

	Sub-Saharan Africa		*South Asia*		*Central Asia*
Background data	*Landlocked*	*Transit*	*Landlocked*	*Transit*	*Landlocked*
Overall Logistics Performance Index score	2.46		2.58		2.50
Average Logistics Performance Index score	2.43	2.59	2.36	2.70	2.50
Selected Logistics Performance Index components					
Logistics competence	2.37	2.53	2.31	2.66	2.45
Infrastructure	2.27	2.44	2.21	2.50	2.33
Customs and trade processes	2.26	2.39	2.20	2.48	2.32
International shipments	2.46	2.60	2.38	2.74	2.54
Timeliness	2.79	2.97	2.71	3.09	2.85

Source: World Bank, 2012.

44. At the global level, landlocked developing countries are engaged in negotiations on trade facilitation at the World Trade Organization (WTO), particularly those aimed at improving relevant aspects of article V, on freedom of transit; article VIII, on fees and formalities connected with importation and exportation; and article X, on publication and administration of trade regulations of the General Agreement on Tariffs and Trade 1994 and special and differential treatment. The trade facilitation negotiations in the context of the WTO Doha Round, which has been stalled for quite some time, are unique in helping landlocked developing countries to obtain lower transaction costs, the freedom of transit and expedited movement, the release and clearance of goods and enhanced technical assistance and support for capacity-building on trade facilitation. In that regard, the early agreement on WTO Doha Round negotiations on trade facilitation is of paramount importance to landlocked developing countries.

45. The draft consolidated text on trade facilitation, updated in October 2011,[1] contains detailed provisions for transit-related restrictions, fees, paperwork and cooperation. Among the draft provisions, the texts in article 9 bis and article 11 are of great relevance in the implementation of fundamental transit policy issues and, in both cases, landlocked developing countries should request the adoption of the more ambitious texts. For instance, the rules in draft article 11 covering freedom of transit, if adopted in their ambitious form, would reinforce the principle of freedom of transit contemplated in article V of the General Agreement on Tariffs and Trade. The rules would strengthen the principle of non-discrimination as it applies to goods in transit in matters concerning charges, transport measures, regulations and formalities and would ensure that they do not constitute disguised restrictions to trade. In addition, the rules would ensure that the charges applied are reasonable and calculated on the basis of actual cost of services rendered and that goods in transit may not be subject to the payment of customs duties and technical standards.

46. Being able to fully benefit from an eventual agreement on trade facilitation adds significantly to the list of prospective advantages that landlocked developing countries can gain by acceding to WTO. However, one third have yet to accede to WTO. On a positive note, the membership talks of the Lao People's Democratic Republic have recently accelerated, with an ambitious target of joining the organization by the end of 2012.

47. Since the benefits to be derived by a country from WTO membership are largely based on the terms agreed during its accession process, targeted technical assistance should be provided during all stages of the process to help landlocked developing countries to accede to WTO on terms that are consistent with their level of development and needs. Peer-to-peer collaboration, whereby such countries and WTO members share their experiences and provide advice and technical assistance, should be further encouraged, with the support of international organizations and donors.

48. Overall, the efforts made in improving transit transport and trade facilitation policies have begun to yield some positive results, especially in terms of reducing the time required to import or export. According to *Doing Business 2012*, the average number of documents that landlocked developing countries require for exporting has decreased from 9 in 2006 to 8 in 2012, while documents required for importing have decreased from 11 to 9. The average completion time has decreased from 49 days to 43 for export formalities and from 58 to 49 days for import formalities. However, when compared to transit developing countries, where the average number of completion days is 23 days for export formalities and 27 days for import formalities, further efforts are required to improve trade facilitation and save time.

D. International support measures

49. Official development assistance (ODA) from traditional donors increased by 2 per cent from $24.8 billion in 2009 to $25.3 billion in 2010 (see annex, table 2). However, two countries continue to dominate the receipts. ODA remains the main source of external finance, accounting for 10 per cent or more of gross national income in 2010 in 13 landlocked developing countries. The continued recession and

[1] World Trade Organization document TN/TF/W/165/Rev.11.

sovereign debt crisis in traditional donor countries, including rising austerity measures, could threaten many aid-dependent landlocked developing countries. It is important that such countries mobilize more domestic resources and reduce overdependence on foreign financial assistance.

50. ODA assistance for transport, storage and communications increased from $1.8 billion in 2009 to $1.9 billion in 2010. However, given the needs highlighted under the priority area of the Almaty Programme of Action on infrastructure development and maintenance, more resources are required to close the infrastructure gap.

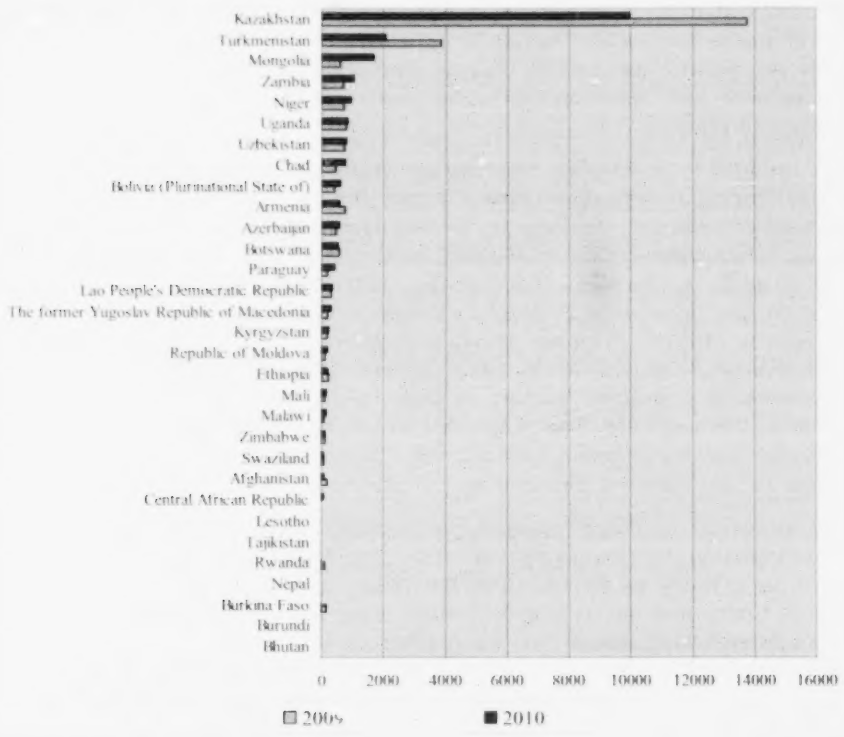
51. Landlocked developing countries are traditionally marginal destinations for foreign direct investment, owing to the small size of their economies and the inherent geographical disadvantages, compounded by poor infrastructure, high transportation costs, inefficient logistics systems and weak institutional capacities. Such countries accounted for only 4 per cent of total foreign direct investment flows to the developing world in 2010. The countries as a group experienced a 12 per cent decrease in inflows of foreign direct investment, from $26.2 billion in 2009 to $23 billion in 2010 (see annex, table 7). Only Mongolia, the Niger and Zambia experienced a significant increase in their inflows of foreign direct investment between 2009 and 2010. The geographic distribution of foreign direct investment across the countries remains uneven, with a few resource-rich countries receiving most of the total flows of foreign direct investment, as shown in figure IV below.

52. Although the largest projects to receive foreign direct investment are concentrated in the extractive industries, the *World Investment Report 2011: Non-Equity Modes of International Production and Development* of the United Nations Conference on Trade and Development (UNCTAD) contains an indication that a significant amount of foreign direct investment was made towards manufacturing, services such as information and communications technology and infrastructure development. Foreign direct investment has the potential to spur economic growth and development through the transfer of financial resources, technology and innovations, improved management techniques, infrastructure development, employment creation and increased productivity. It is important that landlocked developing countries pursue policies that aim at attracting larger and more diversified flows of foreign direct investment.

Figure IV

Inward flows of foreign direct investment into landlocked developing countries, 2010

(Millions of United States dollars)

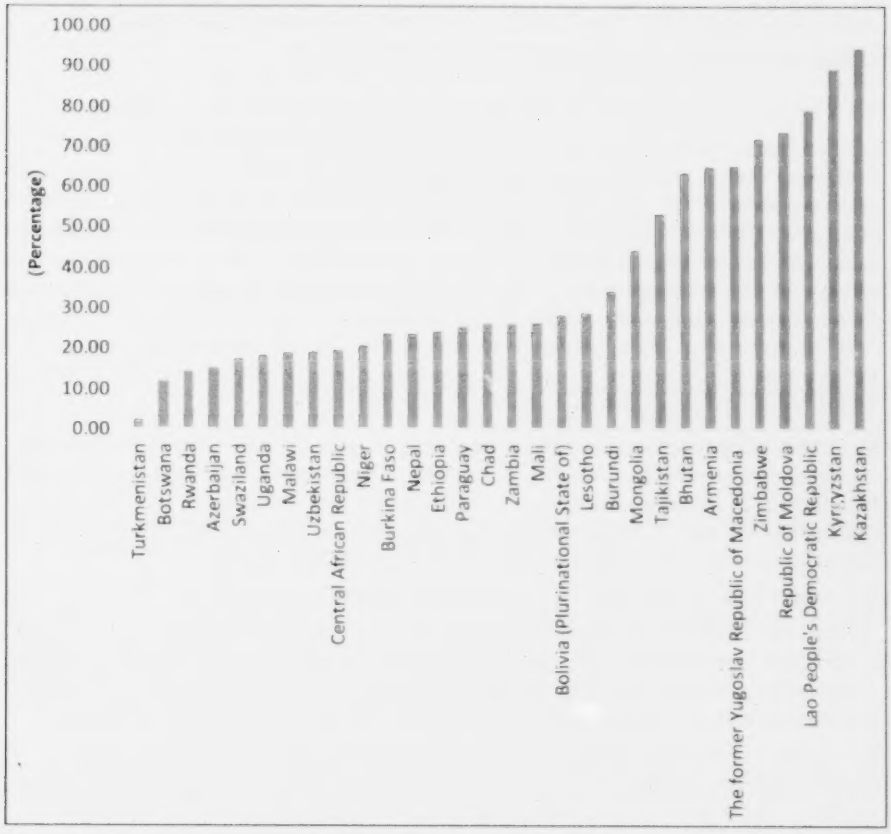


Source: UNCTAD database, 2012.

53. The external debt burden of landlocked developing countries has declined significantly from 68 per cent of gross national income in 2003 to 47 per cent in 2009. The countries experienced a further decrease of 8 per cent in 2010. Total external debt stock as a share of export earnings has also been on the decline since 2003. This is largely a result of the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative, which have granted debt relief to eligible countries. However, it is important to note that landlocked developing countries not currently eligible to receive the debt relief benefits offered by the Initiatives have very high levels of debt as a percentage of gross national income, as shown in figure V. Similarly, their debt service ratios are also high. It is important to extend some forms of debt support to landlocked developing countries in order to avoid their reaching unsustainable debt levels.

Figure V

External debt of landlocked developing countries as a percentage of gross national income, 2010



Source: World Bank, 2012.

54. There has been a continued increase in Aid for Trade disbursements to landlocked developing countries, from $4.7 billion in 2008 to $6 billion in 2010. The bulk of the total Aid for Trade went into building productive capacity, followed by investment into infrastructure development and assistance towards capacity-building on developing trade strategies and negotiation, policy regulations and trade-related adjustment costs.

55. Migrant remittances have also helped to address some critical challenges for poverty reduction in many landlocked developing countries. Remittances have steadily increased from $9.1 billion in 2006 to $16.4 billion in 2010.

56. Landlocked developing countries have increasingly received external financial support under South-South cooperation. Transnational corporations from developing countries, in particular China, India and South Africa, were the main sources of foreign direct investment in landlocked developing countries in 2009. Thus South-South economic cooperation offers a potential source of increased foreign direct

investment and development assistance for such countries that can be harnessed further.

V. Actions taken by the United Nations system and other international and regional organizations

57. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States continued to assist landlocked developing countries by mobilizing international and United Nations system-wide support and by raising awareness on their special needs. In 2011, the Office of the High Representative collaborated with ECA and the African Union in organizing an experts meeting at which the first text of the draft intergovernmental agreement on the Trans-African Highway was elaborated. As a result, a declaration was adopted at the conference of African transport ministers, held in November 2011, which included a call for the speedy elaboration and adoption of the intergovernmental agreement on the Highway. The 2012 African Union Head of States Summit endorsed the initiative.

58. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States is supporting landlocked developing countries by considering ratification of the Multilateral Agreement on the Establishment of an International Think Tank for Landlocked Developing Countries so as to bring the think tank to full operation.

59. The United Nations regional commissions, international, regional and subregional organizations assisted Member States in the implementation of the Almaty Programme of Action through, inter alia, substantive contributions, capacity-building programmes, advisory services, support towards transport infrastructure development and the promotion of legal instruments related to trade and transport facilitation.

60. In 2010, the World Bank published *Border Management Modernization*. In 2011, ECA, in collaboration with the African Development Bank, WTO and the Organization for Economic Cooperation and Development, issues "African case stories: a snapshot of aid for trade on the ground in Africa" and ESCAP issued "Guidelines on establishing and strengthening national coordination mechanisms for trade and transport facilitation in the ESCAP region". In February 2012, the Economic Commission for Europe (ECE) and the Organization for Security and Cooperation in Europe (OSCE) published *Handbook of Best Practices at Border Crossings: a Trade and Transport Facilitation Perspective*.

61. ESCAP, ECE and ECA provided capacity-building training workshops in their regions to improve trade facilitation performance through the use of paperless trade and single window implementation.

62. In 2011, ECA organized the first Africa Trade Forum, at which trade facilitation issues on the continent were examined and a workshop was organized on international negotiations and trade facilitation in the East African Community.

63. In 2011, ESCAP organized a high-level Asia-Pacific policy dialogue meeting on the implementation of the Almaty Programme of Action. The Ulaanbaatar Declaration was adopted at the meeting and was then subsequently endorsed by ESCAP at its 67th session. ESCAP is providing support to prospective member

countries to facilitate their accession to the Asia-Pacific Trade Agreement. ESCAP, in cooperation with ADB, helped seven landlocked developing countries to apply the time/cost-distance methodology to monitor the performance of corridors and border crossings in the region and identify bottlenecks along the corridors for improvement.

64. ESCAP, in cooperation with UNCTAD and ECA, has started to implement a development account project on capacity-building for control authorities and transport operators to improve efficiency of cross-border transport in landlocked and transit developing countries.

65. ECE is undertaking capacity-building and monitoring activities to promote and ensure the proper implementation of the International Convention on the Harmonization of Frontier Controls of Goods at the national level. ECE supported the development of transport infrastructure in the context of the Trans-European Motorway and Trans-European Railway projects and, together with ESCAP, promoted harmonization of transport investments in the context of the Euro-Asian Transport Links project.

66. In 2011, ECLAC undertook a study on logistics costs and their impact on trade and economic development in the Plurinational State of Bolivia. ECLAC is also providing technical support to the Union of South American Nations in drafting a strategic action plan for the period 2012-2022.

67. UNDP continues to provide technical assistance in the area of needs assessments for aid for trade in landlocked developing countries.

68. UNCTAD dedicated a section to the analysis of recent trends in foreign direct investment in landlocked developing countries in its *World Investment Report 2011*, facilitated the inclusion of the concerns of the countries into the outcome of the thirteenth session of UNCTAD (UNCTAD XIII) and provided capacity-building and technical assistance on trade and transport facilitation.

69. In 2011 and 2012, the World Bank extended loans to finance projects in landlocked developing countries and transit countries in the areas of customs reforms, infrastructure development projects and other projects that address the specific capacity constraints related to being landlocked. Examples of ongoing projects include supporting the Government of the Republic of Moldova in its efforts to improve transport and logistics performance and the project to facilitate transport and transit within the Central African Economic and Monetary Community to improve roads and railway infrastructure, investment in transit and transport facilitation and institutional strengthening and capacity-building for the customs and transport sectors.

70. The WTO secretariat, in cooperation with other international organizations, continued to provide technical assistance to WTO members and observers upon request to assess their trade facilitation needs and priorities. WTO continues to advocate the mobilization of Aid for Trade financing, highlight the needs of its members and observers and showcase effective implementation.

71. In 2011, the International Trade Centre (ITC) conducted enterprise surveys at the national level on experiences with non-tariff measures as obstacles to trade in Kazakhstan, Malawi, Paraguay and Rwanda, and concluded with a final report on such measures in Burkina Faso. ITC is collaborating with other agencies in the collection of official regulations, and sharing the data on the newly revamped ITC market access map tool, which contains information on tariff and non-tariff

measures. ITC also provided capacity-building programmes on how to use trade and market access information to research and analyse export opportunities and assess national trade performance.

72. The World Customs Organization continued to provide technical assistance on how to implement trade facilitation measures through the development of trade facilitation tools and customs capacity-building activities. In 2011, it organized capacity-building workshops and missions for the streamlining of customs procedures and trade facilitation, benefiting landlocked developing countries in Africa, Asia and Europe.

73. In 2011, OSCE, in collaboration with its partners, undertook capacity-building activities for the benefit of landlocked developing countries in Central Asia, including subregional workshops on the SAFE Framework of Standards to Secure and Facilitate Global Trade and on risk management in customs. It also held a round table on inland transport security.

74. The International Road Transport Union continued to help Eurasian landlocked developing countries to accede to trade and transport conventions and agreements. The Union organized an international conference on the development of international road transport and the simplification of border-crossing procedures, held in Tbilisi in 2011, and an international conference on transport and transit development in Central Asia and the Caspian region, held in Ashgabat in 2012. The Union is introducing modern electronic applications to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets and, in cooperation with the World Customs Organization, released a TIR training programme in different languages for customs officers.

75. The Southern African Development Community secretariat continued to provide corridor development and transport and trade facilitation support to its member countries. It facilitated the development of legal instruments for joint governance of corridors, developed institutional frameworks for joint and coordinated management of transport corridors using a corridor cluster concept and supported the development of critical corridor transport and logistics infrastructure.

76. The Economic Cooperation Organization supported construction of railway and road transport routes, including the railway line linking Iran (Islamic Republic of), Kazakhstan and Turkmenistan, the road corridor linking Afghanistan, Iran (Islamic Republic of), Kyrgyzstan and Tajikistan, and, in collaboration with the International Road Transport Union, launched a project on regular monitoring of trucks to contribute to the promotion and facilitation of international road transport and trade in the member countries of the organization.

VI. Preparations for the 10-year review of the implementation of the Almaty Programme of Action

77. The General Assembly, in its resolution 66/214, decided to hold a comprehensive 10-year review conference on the implementation of the Almaty Programme of Action in 2014, in accordance with paragraph 49 of the Almaty Programme of Action and paragraph 32 of Assembly resolution 63/2, on the outcome document of the midterm review of the Almaty Programme of Action, preceded by regional and global as well as thematic preparations.

78. The General Assembly designated the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States as the United Nations system-wide focal point for the preparatory review process; and invited other United Nations system organizations, including UNCTAD, UNDP, the regional commissions and relevant international and regional organizations, within their respective mandates, to provide necessary support and actively contribute to the preparatory review process and the comprehensive 10-year review conference itself.

79. In response to resolution 66/214, the Office of the High Representative prepared a concept note and road map to illustrate the series of intergovernmental, regional and subregional preparations that are being planned and to ensure the active involvement of all stakeholders in the preparatory activities since their inception.

80. The concept note and road map were presented to the inter-agency consultative group meeting that served to launch the system-wide preparations for the conference that was convened by the Office of the High Representative in February 2012 at United Nations Headquarters. Senior officials from more than 30 United Nations system and international organizations participated in the meeting and consulted on the conceptual, substantive and organizational aspects of the conference and on their respective contributions to the preparatory process. The meeting also consulted on the organization of pre-conference events. Participants in the inter-agency meeting pointed out that new challenges and opportunities had emerged since the adoption of the Almaty Programme of Action, and emphasized that the 10-year review should take those into account. The challenges and opportunities include increased dependency on natural resource-based commodities, rising food and energy costs, climate change, increased desertification and land degradation, vulnerability to external shocks, increased austerity measures, the importance of the service industry and the growing importance of South-South cooperation.

81. The first thematic meeting, entitled "High-level global thematic meeting on international trade, trade facilitation and aid for trade", will be hosted by the Government of Kazakhstan in Almaty on 13 and 14 September 2012. That meeting will include the launch of substantive preparations for the 10-year review, a substantive assessment of the progress achieved in the implementation of the third priority area of the Almaty Programme of Action, an examination of the major achievements and constraints experienced and identification of the opportunities presented. The meeting will be preceded by the Fourth Meeting of Trade Ministers of Landlocked Developing Countries, to be held in Almaty on 12 September 2012.

82. Consultations are being undertaken by the Office of the High Representative with the regional commissions on the preparations and organization of regional reviews in Africa, Asia, Europe and Latin America. The Group of Landlocked Developing Countries and its Coordination Bureau have been informed about the preparations for the conference and the Chair of the Group, in cooperation with the Office of the High Representative, is making consultations to seek a potential host country for the Conference.

VII. Conclusions and recommendations

83. **The high cost of international trade represents a serious constraint to the trade and socioeconomic development of landlocked developing countries.**

Trade costs for such countries have increased since 2003. The countries' economies remain highly vulnerable to external shocks owing to limited export diversification, limited productive capacities, lack of export competitiveness and high transport and transit costs. Landlocked developing countries are also negatively affected by rising food and energy costs, climate change and desertification and land degradation.

84. The international community should support landlocked developing countries through increased, timely and sustainable financial support to help them accelerate progress towards the achievement of the Millennium Development Goals.

85. The international community should provide financial, technological and capacity-building assistance to enable landlocked developing countries to address the challenges caused by climate change, land degradation and desertification, in particular by putting in place effective adaptation strategies as a priority.

86. Further efforts are required to reduce the high transport and trade transaction costs for landlocked developing countries. The international community is called upon to assist landlocked and transit developing countries to establish efficient transit transport systems through increased financial support to transit transport, energy and information and communications technology infrastructure and to trade facilitation projects.

87. Landlocked developing countries and transit developing countries should strengthen effective cooperation by developing and harmonizing relevant policies and prioritizing resource allocations for the maintenance and rehabilitation of transit transport infrastructure. Tried-and-tested initiatives should be replicated and fully funded.

88. Landlocked and transit developing countries are invited to ratify and effectively implement international conventions and agreements and regional and subregional agreements on transport and trade facilitation. The international community, including relevant international organizations, should provide technical assistance and capacity-building support in order to help landlocked developing countries to improve their ability to accede to international conventions and to participate in international trade effectively.

89. With support from their development partners, landlocked developing countries should strategically transform their economies and build their productive capacities so as to enhance their competitiveness and build resilience to external shocks. In that context, the international community should encourage increased flows of foreign direct investment to such countries and improve the transfer of technologies, while landlocked developing countries should promote an enabling environment to attract foreign direct investment and private sector involvement.

90. ECA, the African Union, the World Bank, AfDB and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States are encouraged to further their support efforts to elaborate and conclude an intergovernmental agreement on the Trans-African Highway.

91. **WTO negotiations on trade facilitation are very important for landlocked developing countries, and it is important that the agreement on trade facilitation in the final outcome of the Doha Round fulfils the objective of lowering transaction costs for such countries by, inter alia, reducing transit time and enhancing certainty in trans-border trade.**

92. **Development-supportive accession of landlocked developing countries to WTO should be ensured through targeted technical assistance during all stages of the process.**

93. **Developed countries are invited to consider providing greater market access for goods originating from landlocked developing countries to help mitigate the high transaction costs stemming from their geographical disadvantages.**

94. **The international community should increase its support towards the Aid for Trade Initiative to help landlocked developing countries to strategically strengthen their productive capacities, develop their infrastructure and enhance competitiveness in the global markets.**

95. **Landlocked developing countries that have not yet acceded to the Multilateral Agreement on the Establishment of an International Think Tank for Landlocked Developing Countries are invited to do so at their earliest convenience.**

96. **The upcoming 10-year review conference of the Almaty Programme of Action, scheduled for 2014, will undertake a comprehensive appraisal of the implementation of the Almaty Programme of Action and come up with a development agenda that can enable landlocked developing countries to integrate into the global trading system and move closer to achieving the internationally agreed development goals, including the Millennium Development Goals, in the next decade. The outcome of the review conference will help landlocked developing countries to reduce the costs of trade, enhance their productive capacities, diversify their exports, improve their export competitiveness, create viable and sustainable economies and strengthen their resilience to external and internal shocks. The international community should give particular importance to the preparatory process and ensure their active participation in the conference. The United Nations system stands ready to provide the necessary support to make the conference a success.**

97. **Donor countries and the international financial and development institutions are invited to make voluntary contributions to the trust fund established by the Secretary-General to facilitate the implementation of and follow-up to the Almaty International Ministerial Conference.**

Annex

Table 1
Gross domestic product and rate of growth, 2000-2010

	Gross domestic product						
	Constant 2005 prices (millions of United States dollars)			*Per capita (constant 2005 United States dollars)*	*Average annual rate of growth (percentage)*		
Landlocked developing countries	*2000*	*2009*	*2010*	*2010*	*2000*	*2009*	*2010*
Afghanistan	3 068	9 092	9 840	286	(3.5)	0.6	7.9
Armenia	2 754	5 793	5 915	1 913	8.5	(15.3)	2.1
Azerbaijan	7 040	26 946	28 283	3 126	7.4	8.8	4.8
Bhutan	560	1 153	1 230	1 695	6.3	6.5	6.5
Bolivia (Plurinational State of)	8 201	11 480	11 954	1 204	3.3	3.3	4.0
Botswana	7 937	11 050	11 845	5 902	2.8	(5.1)	6.9
Burkina Faso	4 012	6 638	7 023	426	5.4	3.2	5.6
Burundi	1 006	1 351	1 404	167	0.8	3.3	3.8
Central African Republic	1 381	1 560	1 611	366	1.0	1.8	3.3
Chad	2 944	5 928	6 228	555	4.5	0.3	4.9
Ethiopia	8 994	18 292	20 566	248	2.2	8.4	11.7
Kazakhstan	34 877	71 773	76 805	4 707	10.1	1.2	6.8
Kyrgyzstan	2 043	3 071	3 029	565	4.1	2.8	(1.4)
Lao People's Democratic Republic	2 016	4 065	4 380	706	4.2	7.2	7.5
Lesotho	1 178	1 599	1 638	754	3.4	3.0	2.4
Malawi	2 449	3 731	3 980	267	(1.1)	8.6	6.5
Mali	4 026	6 605	6 899	449	8.9	4.4	4.4
Mongolia	1 843	3 247	3 454	1 253	5.5	(1.3)	6.2
Nepal	6 960	9 814	10 261	342	3.3	4.3	4.5
Niger	2 702	3 992	4 290	277	5.5	(0.9)	7.2
Paraguay	6 587	8 471	9 764	1 513	1.0	(3.9)	14.2
Republic of Moldova	2 122	3 270	3 497	982	6.0	(6.2)	6.7
Rwanda	1 783	3 585	3 854	363	4.3	5.9	7.2
Swaziland	2 321	2 833	2 889	2 436	0.0	1.2	2.0
Tajikistan	1 457	2 972	3 166	460	9.0	3.9	6.3
The former Yugoslav Republic of Macedonia	5 539	6 941	7 062	3 427	1.2	(0.9)	1.7
Turkmenistan	9 698	18 656	20 376	4 041	3.5	5.9	8.8
Uganda	7 296	13 391	13 729	411	5.9	4.3	2.5
Uzbekistan	10 989	19 930	21 624	768	4.6	7.8	8.2
Zambia	5 759	9 234	9 890	765	4.9	5.9	6.9
Zimbabwe	7 749	5 928	6 462	514	(0.2)	7.0	8.6
Landlocked developing countries	**12 335**	**26 724**	**28 682**	**2 322**	**5.0**	**3.1**	**6.6**
Transit developing countries	**4 859 623**	**8 634 221**	**8 995 432**	**4 888**	**4.5**	**4.4**	**7.0**

Source: Statistics Division.

Table 2

Official development assistance receipts and donor assistance for transport, storage and communications

	Net official development assistance receipts (millions of United States dollars, 2009 constant prices)			*Official development assistance/gross national income (percentage)*	*Donor assistance for transport, storage and communications (millions of United States dollars, current prices)*		*Aid for Trade disbursements (millions of United States dollars, constant prices)*	
Landlocked developing countries	*2000*	*2005*	*2010*	*2010*	*2005*	*2010*	*2007*	*2010*
Afghanistan	220	3 149	6 445	49.9	94	790	984	1 769
Armenia	299	195	398	5.3	14	20	85	177
Azerbaijan	195	250	182	0.7	3	16	87	92
Bhutan	83	105	138	11.0	11	18	29	44
Bolivia (Plurinational State of)	724	748	809	4.2	27	84	136	246
Botswana	46	56	166	2.8	0	8	15	13
Burkina Faso	333	811	1 085	14.1	46	57	283	226
Burundi	150	420	627	42.1	3	53	102	98
Central African Republic	111	103	261	13.0	3	16	30	28
Chad	208	441	487	10.0	29	39	32	67
Ethiopia	1 037	2 176	3 467	11.5	125	232	502	1 014
Kazakhstan	235	261	187	0.4	59	3	108	55
Kyrgyzstan	296	308	327	5.9	9	7	54	60
Lao People's Democratic Republic	383	346	447	6.7	55	29	138	113
Lesotho	60	76	253	4.9	18	12	18	21
Malawi	642	639	995	18.2	32	31	43	36
Mali	465	821	1 086	12.4	50	50	117	132
Mongolia	280	246	335	8.4	33	32	317	236
Nepal	546	478	929	6.0	40	55	44	58
Niger	327	606	727	9.1	22	60	65	190
Paraguay	104	58	163	1.1	2	26	117	191
Republic of Moldova	178	196	447	5.3	1	40	101	157
Rwanda	496	649	989	18.3	9	31	26	88
Swaziland	19	55	87	3.1	2	0	93	243
Tajikistan	181	287	518	9.1	0	27	10	15
The former Yugoslav Republic of Macedonia	401	265	155	2.0	0	1	46	60
Turkmenistan	46	35	38	0.5	0	1	1	3
Uganda	1 296	1 352	1 663	12.6	31	101	426	426
Uzbekistan	230	194	225	1.9	1	51	26	84
Zambia	1 209	1 320	901	12.1	55	26	108	92
Zimbabwe	251	418	740	16.3	1	0	19	50
Landlocked developing countries	**11 051**	**17 061**	**25 277**		**775**	**1 915**	**4 162**	**6 083**

Source: Organization for Economic Cooperation and Development.

Table 3
External debt, debt service and debt relief under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative

	Total external debt (percentage of gross national income)			*Total debt service (percentage of exports of goods, services and income)*			*Debt relief under the Heavily Indebted Poor Countries Initiative (millions of United States dollars)*	*Debt relief under the Multilateral Debt Relief Initiative (millions of United States dollars)*
Landlocked developing countries	*2003*	*2009*	*2010*	*2003*	*2009*	*2010*	*2011*	*2011*
Afghanistan	..	..	..	..	..	..	654	20
Armenia	64.2	56.1	64.8	10.9	20.6	33.4	..	..
Azerbaijan	25.1	11.3	14.9	7.0	1.5	1.4	..	..
Bhutan	82.4	61.2	63.3	5.1	14.1	..	..	..
Bolivia (Plurinational State of)	74.6	34.5	27.8	21.3	10.4	9.3	1 949	1 953
Botswana	6.9	14.1	11.6	1.3	1.0	1.5	..	..
Burkina Faso	40.5	22.7	23.3	11.9	3.7	..	812	764
Burundi	230.1	38.5	33.8	63.6	16.6	..	1 009	58
Central African Republic	92.5	20.0	19.2	..	..	..	675	435
Chad	67.0	28.5	25.7	6.0	..	..	241	..
Ethiopia	85.9	15.8	24.1	7.2	3.0	..	2 735	1 862
Kazakhstan	78.3	108.4	94.3	34.9	50.9	71.4	..	..
Kyrgyzstan	109.0	88.6	89.2	21.6	10.4	21.9	..	..
Lao People's Democratic Republic	114.1	92.3	79.0	21.8	14.8	..	..	..
Lesotho	58.5	31.1	28.4	8.1	2.5	1.9	..	..
Malawi	129.9	22.2	18.5	8.6	..	..	1 379	898
Mali	72.6	24.1	26.1	6.5	3.1	2.5	792	1 308
Mongolia	93.0	48.8	44.3	34.0	4.7	5.0	..	..
Nepal	50.0	28.2	23.4	10.1	10.1	10.5	..	..
Niger	78.2	21.2	20.5	8.6	..	..	947	651
Paraguay	58.2	28.6	25.3	12.3	5.9	4.6	..	..
Republic of Moldova	87.5	61.9	73.5	11.4	14.9	12.8	..	..
Rwanda	84.5	14.3	14.2	15.1	2.1	2.3	956	283
Swaziland	21.0	15.4	17.2	1.3	2.1	..	..	..
Tajikistan	78.5	52.0	53.1	8.3	38.2	44.8	..	..
The former Yugoslav Republic of Macedonia	40.8	60.8	65.1	13.5	14.8	15.2	..	..
Turkmenistan	29.6	3.2	2.1	..	..	..	..	..
Uganda	72.7	15.9	17.9	9.8	2.1	1.8	1 509	2 245
Uzbekistan	49.1	20.1	19.0	..	..	..	..	..
Zambia	160.5	26.6	25.8	43.5	3.7	1.9	3 672	1 962
Zimbabwe	80.5	89.0	71.8	..	..	..	..	..
Landlocked developing countries	**67.8**	**46.9**	**43.3**	**19.3**	**20.1**	**30.6**	**17 330**	**12 439**

Source: World Bank and Statistics Division.

Table 4
International merchandise trade, exports and imports

	Merchandise trade (millions of United States dollars)						*Percentage of world exports*	
	Total exports			*Total imports*				
Landlocked developing countries	*2003*	*2009*	*2010*	*2003*	*2009*	*2010*	*2003*	*2010*
Afghanistan	144	403	388	2 101	3 336	5 154	0.00	0.00
Armenia	670	684	1 011	1 237	3 175	3 782	0.01	0.01
Azerbaijan	2 592	21 097	26 476	2 626	6 119	6 597	0.03	0.17
Bhutan	133	496	641	249	529	854	0.00	0.00
Bolivia (Plurinational State of)	1 651	5 297	6 179	1 684	4 409	5 366	0.02	0.04
Botswana	2 810	3 456	4 693	2 449	4 728	5 657	0.04	0.03
Burkina Faso	314	900	1 288	925	1 870	2 048	0.00	0.01
Burundi	38	62	100	145	402	509	0.00	0.00
Central African Republic	127	124	139	119	271	341	0.00	0.00
Chad	595	2 636	3 411	788	2 289	2 507	0.01	0.02
Ethiopia	513	1 618	2 580	2 686	7 974	9 692	0.01	0.02
Kazakhstan	12 916	43 196	57 244	9 554	28 409	24 024	0.17	0.38
Kyrgyzstan	582	1 673	1 760	717	2 974	3 223	0.01	0.01
Lao People's Democratic Republic	335	1 005	1 746	462	1 414	2 060	0.00	0.01
Lesotho	479	726	801	1 115	1 909	2 126	0.01	0.01
Malawi	502	1 188	1 066	785	2 022	2 173	0.01	0.01
Mali	1 007	1 715	1 996	1 271	2 431	2 781	0.01	0.01
Mongolia	616	1 900	2 895	801	2 131	3 277	0.01	0.02
Nepal	653	886	834	1 802	4 384	5 128	0.01	0.01
Niger	352	997	1 040	566	2 364	2 290	0.00	0.01
Paraguay	1 306	3 167	4 534	1 921	6 940	10 040	0.02	0.03
Republic of Moldova	790	1 288	1 582	1 402	3 278	3 855	0.01	0.01
Rwanda	63	193	297	262	1 308	1 431	0.00	0.00
Swaziland	1 655	1 471	1 552	1 457	1 623	1 703	0.02	0.01
Tajikistan	772	991	1 184	864	2 569	2 658	0.01	0.01
The former Yugoslav Republic of Macedonia	1 367	2 692	3 292	2 306	5 043	5 462	0.02	0.02
Turkmenistan	3 632	6 595	6 000	2 512	6 750	5 600	0.05	0.04
Uganda	532	2 327	2 164	1 375	4 247	4 664	0.01	0.01
Uzbekistan	3 189	10 735	11 857	2 662	9 023	8 384	0.04	0.08
Zambia	980	4 312	7 200	1 574	3 793	5 321	0.01	0.05
Zimbabwe	1 670	2 269	2 500	1 710	2 900	3 700	0.02	0.02
Landlocked developing countries	**42 986**	**126 097**	**158 454**	**50 127**	**130 614**	**142 407**	**0.57**	**1.05**
Transit countries	**750 312**	**2 351 929**	**3 043 835**	**897 850**	**219 912**	**2 936 984**	**13.36**	**20.09**

Source: United Nations Conference on Trade and Development.

Table 5
Indicators of the cost of being landlocked

	Trade flows of landlocked developing countries compared with representative coastal economies (percentage)			*Additional transport costs incurred by landlocked developing countries compared with representative coastal economies (percentage)*		
Landlocked developing countries	*2006*	*2008*	*2010*	*2006*	*2008*	*2010*
Afghanistan	27	30	..	56	53	..
Armenia	54	52	53	29	32	31
Azerbaijan	71	74	74	35	35	33
Bhutan	73	70	68	30	33	32
Bolivia (Plurinational State of)	60	57	58	39	41	42
Botswana	84	82	83	44	46	47
Burkina Faso	37	39	37	51	52	52
Burundi	40	43	44	39	42	41
Central African Republic	47	47	50	51	52	55
Chad	47	43	46	59	54	59
Ethiopia	67	68	65	57	58	55
Kazakhstan	90	91	93	31	28	27
Kyrgyzstan	45	48	47	36	36	35
Lao People's Democratic Republic	38	38	39	36	38	37
Lesotho	35	35	35	55	55	56
Malawi	37	40	40	47	48	50
Mali	33	34	33	61	64	66
Mongolia	47	44	44	37	35	37
Nepal	36	35	36	36	38	40
Niger	33	33	31	57	59	57
Paraguay	41	42	43	24	23	21
Republic of Moldova	33	33	36	26	27	25
Rwanda	47	45	43	46	45	48
Swaziland	46	44	48	39	38	38
Tajikistan	61	64	64	31	26	25
The former Yugoslav Republic of Macedonia	52	54	..	18	18	..
Turkmenistan	74	72	71	34	35	36
Uganda	37	35	38	46	47	46
Uzbekistan	52	51	50	31	33	32
Zambia	51	48	50	47	48	49
Zimbabwe	42	42	41	53	51	54
Average landlocked developing countries	**59**	**60**	**61**	**44**	**44**	**45**

Note: Indicators were calculated by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States using the gravity model. Details of the methodology are available upon request from the Office of the High Representative.

Table 6
Selected telecommunication indicators

	Telephone lines and cellular subscribers per 100 population				*Internet users per 100 population*
	Main lines		*Cellular*		
Landlocked developing countries	*2000*	*2010*	*2000*	*2010*	*2010*
Afghanistan	0.1	0.4	0.0	37.8	3.7
Armenia	17.3	19.1	0.6	125.0	37.0
Azerbaijan	10.0	16.6	5.2	100.6	36.5
Bhutan	2.5	3.6	0.0	54.3	13.6
Bolivia (Plurinational State of)	6.1	8.5	7.0	72.3	20.0
Botswana	7.7	6.8	12.6	117.8	6.0
Burkina Faso	0.4	0.9	0.2	34.7	1.4
Burundi	0.3	0.4	0.3	13.7	2.1
Central African Republic	0.3	0.3	0.1	23.2	2.3
Chad	0.1	0.5	0.1	23.3	1.7
Ethiopia	0.4	1.1	0.0	7.9	0.8
Kazakhstan	12.3	24.6	1.3	121.2	33.4
Kyrgyzstan	7.7	9.4	0.2	91.3	40.0
Lao People's Democratic Republic	0.8	1.7	0.2	64.6	7.0
Lesotho	1.1	1.8	1.1	32.2	3.9
Malawi	0.4	1.1	0.4	20.4	2.3
Mali	0.3	0.7	0.1	47.7	2.7
Mongolia	4.9	7.0	6.4	91.1	12.9
Nepal	1.1	2.8	0.0	30.7	6.8
Niger	0.2	0.5	0.0	24.5	0.8
Paraguay	5.3	6.3	15.4	91.6	23.6
Republic of Moldova	16.0	32.6	3.8	88.9	40.1
Rwanda	0.2	0.4	0.5	33.4	7.7
Swaziland	3.0	3.7	3.1	61.8	8.0
Tajikistan	3.5	5.3	0.0	86.4	11.6
The former Yugoslav Republic of Macedonia	25.3	20.0	5.8	104.5	51.9
Turkmenistan	8.1	10.3	0.2	63.4	2.2
Uganda	0.3	1.0	0.5	38.4	12.5
Uzbekistan	6.7	6.6	0.2	74.4	19.5
Zambia	0.8	0.7	1.0	38.3	6.8
Zimbabwe	2.0	3.0	2.1	59.7	11.5
Average landlocked developing countries	**2.7**	**3.9**	**1.0**	**43.2**	**8.9**

Source: International Telecommunication Union (see www.itu.int/ITU-D/ict/).

Table 7
Foreign direct investment net inflows
(Millions of current United States dollars)

	Foreign direct investment net inflows		
Landlocked developing countries	*2000*	*2009*	*2010*
Afghanistan	0.2	185.0	75.7
Armenia	104.2	777.5	577.3
Azerbaijan	129.9	473.3	563.1
Bhutan	0.0	14.7	11.7
Bolivia (Plurinational State of)	736.4	423.0	622.0
Botswana	57.2	579.4	529.3
Burkina Faso	23.1	171.4	37.1
Burundi	11.7	9.9	14.1
Central African Republic	0.8	42.3	72.0
Chad	115.2	461.8	781.4
Ethiopia	134.6	221.5	184.0
Kazakhstan	1 282.5	13 771.4	9 961.0
Kyrgyzstan	(2.4)	189.6	233.6
Lao People's Democratic Republic	33.9	318.6	350.0
Lesotho	31.5	48.0	54.7
Malawi	39.6	60.4	140.0
Mali	82.4	109.1	147.6
Mongolia	53.7	623.6	1 691.4
Nepal	(0.5)	38.6	39.0
Niger	8.4	738.9	946.9
Paraguay	104.1	208.7	418.7
Republic of Moldova	127.5	127.8	198.9
Rwanda	8.1	118.7	42.3
Swaziland	105.8	65.7	92.7
Tajikistan	23.5	15.8	44.8
The former Yugoslav Republic of Macedonia	215.1	201.4	293.2
Turkmenistan	131.0	3 867.0	2 083.0
Uganda	180.8	815.9	847.6
Uzbekistan	74.7	711.0	822.0
Zambia	121.7	694.8	1 041.4
Zimbabwe	23.2	105.0	105.4
Landlocked developing countries	**3 958.1**	**26 189.8**	**23 022.0**
Transit countries	**106 770.0**	**243 265.0**	**279 630.0**

Source: United Nations Conference on Trade and Development.

Table 8
Selected social development indicators

Landlocked developing countries	*Extreme poverty: population under $1.25 per person/day (percentage)*	*Prevalence of undernourishment (percentage of population)*	*Primary net enrolment ratio*	*Forest cover (percentage of land area)*		*Human Development Index*		*Children under five mortality rate (per 1,000 live births)*		*People living with HIV, 15-49 years old (percentage)*	
		2008	*2009-2010*	*2000*	*2010*	*2005*	*2011*	*2005*	*2010*	*2005*	*2009*
Afghanistan	..	..	..	2.1	2.1	0.34	0.40	151	149	..	..
Armenia	1.28 (2008)	21	71	10.7	9.2	0.69	0.72	26	20	0.1	0.1
Azerbaijan	0.43 (2008)	5	84	11.3	11.3	..	0.70	56	46	0	0.1
Bhutan	10.22 (2007)	..	88	78.4	84.6	..	0.52	71	56	0.1	0.2
Bolivia (Plurinational State of)	15.61 (2008)	27	95	55.5	52.8	0.65	0.66	67	54	0.2	0.2
Botswana	..	25	87	22.1	20.0	0.60	0.66	61	48	25.5	24.8
Burkina Faso	44.6 (2009)	8	60	22.8	20.6	0.30	0.33	184	176	1.5	1.2
Burundi	81.32 (2006)	62	99	7.7	6.7	0.27	0.32	154	142	4	3.3
Central African Republic	62.83 (2008)	40	71	36.8	36.3	0.31	0.34	168	159	6.6	4.7
Chad	61.94 (2003)	39	..	9.8	9.2	0.31	0.33	181	173	3.5	3.4
Ethiopia	38.96 (2005)	41	81	13.7	12.3	0.31	0.36	122	106	..	..
Kazakhstan	0.11 (2009)	5	90	1.2	1.2	0.71	0.75	38	33	0.1	0.1
Kyrgyzstan	6.23 (2009)	11	87	4.5	5.0	0.60	0.62	44	38	0.1	0.3
Lao People's Democratic Republic	33.88 (2008)	22	82	71.6	68.2	0.48	0.52	69	54	0.1	0.2
Lesotho	43.41 (2003)	14	73	1.4	1.4	0.42	0.45	121	85	23.6	23.6
Malawi	73.86 (2004)	27	97	37.8	34.3	0.35	0.40	128	92	12.1	11
Mali	50.43 (2010)	12	62	10.9	10.2	0.32	0.36	195	178	1.2	1
Mongolia	..	27	95	7.5	7.0	0.61	0.65	44	32	0	0
Nepal	24.82 (2010)	17	..	27.2	25.4	0.42	0.46	65	50	0.4	0.4
Niger	43.62 (2008)	16	57	1.0	1.0	0.27	0.30	177	143	0.9	0.8
Paraguay	7.16 (2010)	10	85	48.7	44.3	0.64	0.67	29	25	0.3	0.3
Republic of Moldova	0.39 (2010)	5	88	9.9	11.7	0.63	0.65	22	19	0.4	0.4
Rwanda	63.17 (2011)	32	99	13.9	17.6	0.38	0.43	128	91	3.1	2.9
Swaziland	40.63 (2010)	19	86	30.1	32.7	0.49	0.52	116	78	25.6	25.9
Tajikistan	6.56 (2009)	26	97	2.9	2.9	0.58	0.61	76	63	0.1	0.2

Landlocked developing countries	*Extreme poverty: population under $1.25 per person/day (percentage)*	*Prevalence of undernourishment (percentage of population)*	*Primary net enrolment ratio*	*Forest cover (percentage of land area)*		*Human Development Index*		*Children under five mortality rate (per 1,000 live births)*		*People living with HIV, 15-49 years old (percentage)*	
		2008	*2009/2010*	*2000*	*2010*	*2005*	*2011*	*2005*	*2010*	*2005*	*2009*
The former Yugoslav Republic of Macedonia	0 (2009)	5	87	37.7	39.6	0.70	0.73	13	12	..	..
Turkmenistan	..	7	..	8.8	8.8	0.65	0.69	64	56	..	..
Uganda	38.01 (2009)	22	91	19.4	15.0	0.40	0.45	120	99	6.4	6.5
Uzbekistan	..	11	89	7.6	7.7	0.61	0.64	57	52	0	0.1
Zambia	68.51 (2006)	44	91	68.8	66.5	0.39	0.43	138	111	13.9	13.5
Zimbabwe	..	30	..	48.8	40.4	0.35	0.38	100	80	18.4	14.3
Landlocked developing countries	**..**	**25**	**83**	**18.0**	**17.0**	**0.42**	**0.46**	**110**	**97**	**4**	**3.66**

Sources: World Bank, United Nations Educational, Scientific and Cultural Organization and Statistics Division.

Note: Primary net enrolment data for Bolivia (Plurinational State of) and Botswana refer to 2007 and data for the Lao People's Democratic Republic refer to 2008.